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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 10/22/09

INDEX:

- 1) Top headlines
- 2) Editorials

Secretary Gates visit:

- 3) Defense Secretary Gates asks for decision on Futenma no later than U.S. President's visit to Japan (Yomiuri)
- 4) Okinawa worried about collapse of U.S. forces realignment plan (Mainichi)
- 5) Gates warns Kitazawa to be careful that investigation of secret accords doesn't have adverse effect on bilateral alliance (Tokyo Shimbun)

U.S.-Japan relationship:

- 6) Ozawa tells Ambassador Roos the DPJ administration will speak frankly about issues to U.S. (Nikkei)
- 7) U.S. and Japan also far apart on Afghan aid question (Nikkei)

Other base issue:

- 8) F-35B fighters to be deployed at Iwakuni from 2015; concerns about increase in noise level (Akahata)

Foreign relations:

- 9) FM Okada hints at loosening rules governing SDP participation in PKO (Mainichi)
- 10) Prime Minister departs for Thailand tomorrow (Nikkei)

Special Diet session:

- 11) Bill on North Korean ship inspections to be submitted to special Diet session (Nikkei)
- 12) LDP sets up panel to review DPJ election pledges (Nikkei)

- 13) Hatoyama and coalition party heads discuss content of his upcoming policy speech to Diet (Mainichi)  
14) Special Diet session set to run for 36 days (Nikkei)

Economy:

- 15) Transport minister as Finance Minister to provide public funds for JAL bailout (Nikkei)

Articles:

1) TOP HEADLINES

Asahi:

Newly appointed Japan Post president Saito denies having ex-bureaucrat's mentality in news conference

Mainichi:

Court to examine as witness defense counsel-endorsed expert in Ashikaga case retrial

Yomiuri:

Gates calls for settlement of Futenma issue by time President Obama visits Japan

Nikkei:

Itochu to take stake in Uny, help expand China retail operations

Sankei:

State budget in danger (Part 1): Budget compilation without guidelines results in expansion

TOKYO 00002434 002 OF 008

Tokyo Shimbun:

Government to install new Japan Post management

Akahata:

Financial support for high school education must not be reduced in exchange for revival of subsidies to single-parent families

2) EDITORIALS

Asahi:

- (1) New Japan Post president: Public-sector-to-private-sector trend must go on  
(2) New government must finalize its Futenma relocation policy

Mainichi:

- (1) Ashikaga case retrial: Court must examine evidence and offer apology  
(2) Appointment of new Japan Post president contradicts policy of shifting power away from bureaucrats

Yomiuri:

- (1) U.S. defense secretary's visit: Futenma issue must not be put off  
(2) Appointment of ex-finance ministry official as next Japan Post president unexpected

Nikkei:

- (1) Concerns raised about "security friction" that might endanger Japan-U.S. alliance  
(2) Appointment of ex vice-minister not in line with policy of ending bureaucratic control

Sankei:

- (1) New Japan Post president: Appointment runs counter to policy of reducing power of bureaucrats  
(2) Gates-Kitazawa meeting: Japan must take note of warning to bilateral alliance

Tokyo Shimbun:

- (1) Futenma relocation: Government must explore all options  
(2) Ashikaga case retrial an occasion to end false accusations

Akahata:

(1) Okinawa new base talks: Respond straightforwardly to wishes of people of Okinawa

3) Gates calls for settlement of Futenma issue before President Obama's visit to Japan

YOMIURI (Top play) (Abridged slightly)  
October 22, 2009

During his talks with Foreign Minister Katsuya Okada on Oct. 20, U.S. Secretary of Defense Robert Gates urged the Japanese government to reach a conclusion on the question of relocating the U.S. Marine Corps' Futenma Air Station by the time President Barack Obama visits Japan on Nov. 12-13, according to a concerned source. In response, Okada simply said, "We will work hard to reach a conclusion as soon as possible." The talks went nowhere.

Prime Minister Yukio Hatoyama also held talks with Secretary Gates

TOKYO 00002434 003 OF 008

on Oct. 21. After his talks with Gates, the Prime Minister indicated to the press corps at the Prime Minister's official Residence (Kantei) that he had told Gates it would be difficult to implement the existing relocation plan at an early date. Hatoyama said: "There is a gap between two factors: our campaign pledge for the last Lower House election (to review the existing plan) and the Japan-U.S. agreement. It will take some time to come up with an answer. I asked for his understanding." Hatoyama has demonstrated a policy of postponing a government decision until after the mayoral election next January for the city of Nago, which is the relocation site for Futenma Air Station. "(Even after my talks with Gates), I (still) basically think so," said Hatoyama.

Now that Gates and others' efforts on Oct. 20-21 to iron out differences in views with Japan have effectively ended in failure, the U.S. side is highly alarmed about a possible negative impact on President Obama's Japan visit. The Japan-U.S. relationship is becoming strained.

According to a person involved in the situation, Gates presented a deadline during his talks with Okada, urging the Japanese government to settle the Futenma issue by the time President Obama visits Japan in November. Washington has thus far taken a wait-and-see attitude with one official saying, "The deadline is up to Japan to decide." But observing the Japanese government's earnest efforts to review the existing plan, as seen in its proposal for consolidating Futenma functions with Kadena Air Base, Washington seems to have decided to convey its firm intentions to Tokyo.

A sense of alarm is growing in the U.S. government, with one official saying, "We cannot afford to come under criticism from within the United States after President Obama's visit to Japan."

4) Okinawa fears collapse of USFJ realignment plans after Secretary Gates's remarks on Futenma relocation

MAINICHI (Page 2) (Full)  
October 22, 2009

Teruhisa Mimori

In reaction to the statement made by U.S. Secretary of Defense Robert Gates at a joint news conference with Defense Minister Toshimi Kitazawa that "there can be no Guam relocation without a Futenma replacement facility," Okinawa Governor Hirokazu Nakaima said on Oct. 21: "The Marines' relocation to Guam should be implemented without fail."

Nakaima has so far rated highly the plans to relocate U.S. Marines in Okinawa to Guam and the return of six military facilities south of Kadena Air Base under the U.S. Forces Japan (USFJ) realignment package agreed upon by Japan and the United States, saying that "this will be a new engine for Okinawa's economic development." He has consistently stood firm on his position of conditional acceptance of the plan to relocate the Futenma base to the coastal of Camp Schwab based on the reasoning that, "While relocation out of

Okinawa is the best option, realistically, relocation within Okinawa is inevitable," out of his concern that the realignment process might collapse.

Meanwhile, a senior Okinawa official demonstrated a wait-and-see approach to the Hatoyama administration's response, stating: "It is

TOKYO 00002434 004 OF 008

a matter of course for the U.S., which does not the realignment process to be delayed, to emphasize the original package. Instead, the question now is whether the Japan government will tackle the issue of Futenma relocation with the readiness to wreck the realignment plan if warranted."

5) Defense Secretary Gates cautions Japan on investigations into alleged secret agreements on introducing nuclear arms, Okinawa reversion

TOKYO SHIMBUN (Page 2) (Full)  
October 22, 2009

At his meeting with Defense Minister Toshimi Kitazawa on Oct. 21, U.S. Secretary of Defense Robert Gates touched on the ongoing investigations by Japan into the secret agreement between the two countries on bringing nuclear arms into the Japan and on Okinawa's reversion to Japanese administration. He said, "We hope that care is taken not to have a negative impact on nuclear deterrence (provided by the U.S.) and the bilateral relationship," cautioning Japan. In response Kitazawa said, "We will take care that the secret agreement issue will not become a negative factor with respect to the Japan-U.S. alliance and will continue to disclose information."

6) Ozawa in meeting with U.S. Ambassador Roos: "DPJ administration will speak candidly"

NIKKEI (Page 2) (Full)  
October 22, 2009

Democratic Party of Japan (DPJ) Secretary General Ichiro Ozawa met with U.S. Ambassador to Japan John Roos at party headquarters yesterday. They shared the view that Japan and the U.S. should further expand ties. Ozawa said: "I am responsible for party affairs, so I cannot comment on government affairs," but he emphasized: "I think the DPJ government should say what it needs to say to the U.S. in a candid manner on every issue." The Ambassador praised Ozawa by saying, "You are the most influential politician in Japan." The Ambassador also said: "I would like to make efforts to establish a relationship of mutual trust. It is important to deepen Japan-U.S. relations."

7) Gap between Japan, U.S. emerges on Afghan aid; U.S. "disappointed" with lack of progress in security issues

NIKKEI (Page 3) (Full)  
October 22, 2009

Itaru Oishi, Washington

The Obama administration of the United States is increasingly frustrated with Japan's failure to take a clear stance on contribution to the war against terrorism in Afghanistan and U.S. Forces Japan (USFJ) realignment. While the U.S. intends to avoid a situation where the two sides would lock horns during President Barack Obama's visit to Japan in November from the standpoint of giving importance to the Japan-U.S. alliance, the White House's tendency for "Japan passing" is likely to increase since pro-China officials occupy the key posts in the administration.

Ahead of his visit to Japan, Secretary of Defense Robert Gates reportedly told the Japanese government that "we will not ask

TOKYO 00002434 005 OF 008

anything from anybody." This is because it was thought that being seen as applying pressure on Japan will be counterproductive for the

Hatoyama administration's process of domestic coordination.

However, about one month since the Japan-U.S. summit, which side stepped security issues, the U.S., which had hoped for some progress, is now openly showing its disappointment because "there has practically been no response," according to a U.S. Democratic Party source. After his meetings, Gates indicated his displeasure particularly with Japan's bringing up once again the proposal to merge the Futenma Air Station with Kadena Air Base, a plan that had been discussed many times in the past but was unacceptable to the USFJ.

More than the issue of USFJ realignment, the U.S. side had had even higher hopes on Afghan aid proposals. The Obama administration is currently drafting a new policy toward Afghanistan that will include economic aid. One purpose of Gates's trip to Asia is to draw positive contributions from Japan and South Korea to help facilitate the decision-making process for the new Afghan policy. He was disappointed on the very first leg of the trip.

8) F-35B to be deployed to Iwakuni

AKAHATA (Page 2) (Abridged)  
October 22, 2009

The U.S. Marine Corps plans to deploy 16 F-35B fighter jets to its Iwakuni base in Yamaguchi Prefecture, beginning in the fall of 2015. This plan became known from the USMC's recently released aircraft procurement plan for fiscal 2010. The F-35B is a next-generation state-of-the-art fighter jet model.

The F-35B, a follow-on model to the USMC's AV-8B and FA-18, will replace the older aircraft at the base. The AV-8B is a vertical takeoff and landing (VTOL) jet and the FA-18 a fighter attack jet. The F-35B is a stealth plane, which, according to the U.S. Department of Defense, is outfitted with "the world's most powerful turbofan engine." This engine enables the F-35B to fly at supersonic speed and make short takeoffs and vertical landings (STOVL).

F-35B deployment to the Iwakuni base will further strengthen the base's functions in line with the shift of (Atsugi-based) carrier-borne fighter jets to Iwakuni -- part of the Pentagon's roadmap for realigning U.S. forces in Japan. Furthermore, it is feared the F-35B deployment will increase the impact of the base on the surrounding community by raising the level of aircraft noise.

9) Okada studying easing five PKO rules

MAINICHI (Page 1) (Excerpts)  
October 22, 2009

Foreign Minister Katsuya Okada gave a speech in Tokyo yesterday. In it, he indicated that he has ordered a study on revising the Peacekeeping Operations (PKO) Cooperation Law authorizing the dispatch of the Self-Defense Forces (SDF) to UN peacekeeping operations. Okada said, "There are five PKO principles under constitutional restrictions. I think we should review them within the framework of the Constitution."

His order is aimed at avoiding Japan being regarded by the

TOKYO 00002434 006 OF 008

international community as reluctant to dispatch the SDF overseas due to the government's decision to halt the Maritime Self-Defense Force's refueling mission in the Indian Ocean.

The five PKO principles regarding SDF participation in PKO operations are stipulated in the PKO Cooperation Law. They are: (1) there must be a cease-fire agreement; (2) warring parties must accept Japan's participation; (3) (the SDF) must maintain a neutral position; (4) if the basic principle is not fulfilled, SDF troops can be withdrawn; and (5) the use of weapons is limited to a minimum for defending lives.

10) Prime Minister Hatoyama to leave for Thailand tomorrow

NIKKEI (Page 2) (Full)  
October 22, 2009

The government decided yesterday on the diplomatic schedule for Prime Minister Yukio Hatoyama, who will attend the summit of the Association of Southeast Asian Nations (ASEAN) in Thailand. According to the schedule, Hatoyama will attend the summit of ASEAN and Japan, China, and South Korea on the afternoon of Oct. 24 and the East Asia Summit on the morning of the 25th. He will seek understanding for his East Asian Community concept from other Asian countries. He is expected to return to Japan on the evening of the 25th.

11) Government to submit ship inspection legislation with no mention of SDF to extra Diet to deal with North Korea

NIKKEI (Page 2) (Excerpts)  
October 22, 2009

The government decided yesterday to submit to the next extraordinary Diet session to be convened on Oct. 26 a special measures bill to facilitate cargo inspections on ships traveling to and from North Korea. The bill stipulates that ship inspections will be carried out by the Japan Coast Guard (JCG), not by the Self-Defense Forces (SDF), reflecting the government's consideration paid to the Social Democratic Party (SDP). Giving priority to the compilation of the fiscal 2010 budget by the end of the year, the government had initially planned not to submit the ship inspection legislation to the upcoming extra Diet session. Reversing this policy direction, the government will now aim for the early enactment of the ship inspection legislation. The SDP will discuss the matter today.

The previous coalition government of the Liberal Democratic Party and New Komeito submitted ship inspection legislation to the earlier regular Diet session in line with a UN Security Council sanctions resolution following North Korea's nuclear test in May. The legislation went down the drain due to the dissolution of the House of Representatives.

The scrapped bill contained a provision saying, "In the event there are special circumstances preventing the JCG from dealing with the situation independently, the (SDF) will take security and other necessary steps." This provision will be eliminated from the new legislation.

12) LDP to examine DPJ campaign pledges in preparation for Diet debate

TOKYO 00002434 007 OF 008

NIKKEI (Page 2) (Excerpts)  
October 22, 2009

The Liberal Democratic Party (LDP) held at party headquarters yesterday the first meeting of its committee tasked with drafting the party's policies and strategy in preparation for Diet debate. The committee decided to set up a manifesto examination committee to analyze problems in the Democratic Party of Japan's (DPJ) policies. The party is accelerating its preparations for debate with the administration of Prime Minister Yukio Hatoyama at the extraordinary Diet session to be convened on Oct. 26.

The manifesto examination committee, which will be composed of senior members of the Policy Research Council, including chairman Shigeru Ishiba, will hold its first meeting on the 22nd. In the meeting yesterday, Ishiba referred to the fact that the Hatoyama cabinet has refused to have its three key parliamentary executives participate in a sectional meeting of the LDP and openly revealed feelings of rivalry toward the DPJ, remarking: "If they continue to refuse to attend the meeting, we will not reply (to questions asked by bureaucrats to LDP lawmakers)." The committee decided to ask Chief Cabinet Secretary Hirofumi Hirano to have the three key parliamentary executives attend the sectional meeting.

13) Cabinet ministers discuss Prime Minister Hatoyama's policy speech to be delivered on Oct. 26

MAINICHI (Page 5) (Full)  
October 22, 2009

Yesterday the ministerial committee on basic policies held at the Prime Minister's Office a meeting in which participants, including the heads of the three ruling parties, discussed a policy speech Prime Minister Yukio Hatoyama will deliver at the extraordinary Diet session to be convened on Oct. 26. Under the coalition government of the Liberal Democratic Party (LDP) and New Komeito, no such session was held. With the first Diet session after the change of government drawing closer, Hatoyama proposed the session in consideration of the Social Democratic Party (SDP) and the People's New Party (PNP).

Yesterday's meeting was attended by Hatoyama; Naoto Kan, deputy prime minister and state minister for national strategy; Mizuho Fukushima, SDP chairperson and state minister for consumer affairs and declining birthrate; Shizuka Kamei, PNP leader and state minister for financial affairs and postal reform; Chief Cabinet Secretary Hirofumi Hirano; and other officials. Deputy Chief Cabinet Secretary Koji Matsui read aloud the draft policy speech and participants exchanged views.

During the discussions, Fukushima and PNP policy chief Mikio Shimoji (House of Representatives member elected in the Okinawa No. 1 district) urged the use of stronger language regarding the realignment of U.S. forces in Japan in consideration of Okinawa residents. However, Hirano said, "The Prime Minister will take your views into consideration and make a decision on his own."

14) Extra Diet session to run for 36 days

NIKKEI (Page 2) (Full)  
October 22, 2009

The House of Representatives Steering Committee yesterday decided in  
TOKYO 00002434 008 OF 008

its board meeting to hold the extraordinary Diet session, which will be convened on Oct. 26, for 36 days until Nov. 30. Party representatives' interpellation with respect to Prime Minister Yukio Hatoyama's policy speech will be carried out on Oct. 28 and 29. In yesterday's meeting the Democratic Party of Japan and the People's New Party confirmed that they will forgo questioning.

15) Transport minister to ask finance minister for public support for JAL

NIKKEI (Page 1) (Full)  
October 22, 2009

Construction and Transport Minister Seiji Maehara will ask Finance Minister Hirohisa Fujii within this week to come up with measures to help rebuild Japan Airlines, including the use of public funds. (Based on a revised reconstruction plan drafted by the task force under the construction minister,) the government will offer 550 billion yen in financial aid, with 300 billion yen in public aid and private investment added to 250 billion yen generated through debt waiver and debt-for equity swap. The money will cover the struggling airline's excessive debt.

Task force's revised JAL reconstruction plan (the figures in parentheses are those in the draft plan)

Financial aid

Q 300 billion yen (150 billion yen) in increased capital, including public funds

Q 220 billion yen (250 billion yen) through debt waiver

Q 30 billion yen (50 billion yen) through debt-for-equity swap

Loans from financial institutions

Q 200 billion yen (180 billion yen) in emergency loans

Q 150 billion yen (150 billion yen) in syndicate loans

Business restructuring plan

Q 50 to 70 billion yen in operating profits for fiscal 2014

Q 1,200 billion yen in sales for fiscal 2014

Q Reduction in the number of employees by nearly 9,000 (about 9,000)

Reduction in pension-related liabilities

Q Addition of a lump-sum pension-payment measure to the draft (reduction in the deficit in the reserve fund from the original 330 billion yen to 100 billion yen).

ROOS